

INTRODUCTION

This document has been realized by the working group of FIMARC for the Human Rights.

During the different regional, national or other programs, we have noticed the difficulty for grass root groups to make the links between the products that they are growing, the few benefit they get from these cultivation and the international mechanisms. We have also noticed that the international organisms are known but very often in a very partial way.

In order to try to respond to the demands of the grass roots groups and to provide them elements that would allow them to understand the internal mechanisms, the Bureau has requested the working group on human rights to realize a study on some products and has analyzed those through 3 criteria's: the comprehension of the situations, the analysis of the mechanisms and the perspectives of future.

The ambition of this document is not to provide you elements on such or another product but is much more to provide you a pedagogical tool so that each one of you, from its own production, is able to lead the same kind of analysis. The files established right now have also to evaluate... So please don't hesitate to complement it with new elements, to react or to propose other perspectives and tracks.

SUMMARY

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FOOD SOVEREIGNTY

Last few years, FIMARC as well as other farmers and rural organizations have worked quite a lot to progress in this concept, which is fundamental in our search for the autonomy of rural populations. We will refer to this concept in the following files on agricultural products and the document here below is a tentative of definition of the same to facilitate your lecture and comprehension.

Food sovereignty is the right of farmers, communities, countries or groups of countries to define their own food, agricultural and territorial policies, as well as their work in those sectors, fishing sector and other indigenous populations. Those policies must be ecologically, socially and culturally adapted to each specific situation. Food sovereignty includes a real right to food and to food production, which means that all the populations have the right to safe food, culturally and nutritionally adapted as well as access to resources of food production and capacity to ensure their survivals and their community survival.

Food sovereignty includes quite a lot of measures:

- To give priority to food production addressed to national and local markets, based on diversified and agro-ecological systems, functioning on a farmer and familial model;
- To ensure fair prices to the producers and their families which can induce the protection of internal markets, the denial of dumping and importation at low prices;
- To ensure the access to land, waters, forests, and fisher zones and other productive resources, via a natural and fair redistribution;
- To recognize and promote the role of women in food production;
- To ensure the fair access and control of the communities on natural resources;
- To ensure the protection of seeds which are the base of food production and life, in order to organize a free trade and free usages of the farmers. This means no patents on life and a moratorium on genetically modified seeds;
- To promote public investments for productive agricultural, familial and community activities, oriented to the re-enforcement of local control on food production for the population and local markets;
- To re-enforce social movements and organizations of farmers, women, indigenous populations, fisher folk and agricultural workers;
- To plan a real agrarian reform for an integral and global redistribution of productive resources in favor of the poor and landless populations.

BRIEF PRESENTATION OF THE OBJECTIVES OF SOME UNITED NATIONS ORGANISMS

Specialized Agencies (Autonomous organizations who are working with the Organization of United Nations and who cooperate together in the frame of the Economic and Social Council of the UNO):

FAO Food and Agriculture Organization of the United Nations
Organisation des Nations Unies pour l'Alimentation et l'Agriculture
Organización de las Naciones Unidas para la Agricultura y la Alimentación

Created in 1945 - Seat in Rome

Objective: to alleviate poverty and hunger, while encouraging the agricultural development, for the improvement of the nutrition and ensuring enough food for all.

The FAO acts as an independent forum where all countries used to meet on an equal basis.

This is the main rural development body in the UN system

Its activities are financed by the contributions of Member Nations, which are fixed during the FAO Conference, take place every two years.

The World Food Day is celebrated every year on October 16th.

The Director-General is for the time being M. Jacques Diouf from Senegal

ILO International Labour Organization
Organisation Internationale du Travail
Organización Internacional del Trabajo

Created in 1919 - Seat in Geneva.

Objective: to seek the promotion of social justice and internationally recognized human and labour rights.

The ILO functions with a tripartite structure, which gathers representatives of workers and employers equally with representatives of the governments.

The International Labour Conference gathers delegacies of all Member States. Each Member State is represented by 2 government delegates, one worker delegate and one employer delegate.

Its main function is to establish and adopt conventions and recommendations, which fix international labour standards. The ratification and adoption of the conventions creates constraining obligation for the States; as for the recommendations, they are simply made to orient the national policy, legislation and practice.

The Director-General is M. Juan Somavia from Chile

WHO **World Health Organization**
Organisation Mondiale de la Santé
Organización Mundial de la Salud

Created in 1948 – Seat in Geneva

Objective: to attain the highest possible level of health for all people.

Its 2 main functions are the technical assistance for the development of health systems in the Member States and the co-ordination of world sanitary activities.

The directive body of the WHO is the World Health Assembly where all the Member States of the UN are represented. The organization conducts annual assembly to evaluate its activities and plan its policy and program.

The Director-General, appointed in 2003, for a 5 years mandate, is M. Lee Jong-wook from the Republic of South Korea.

UNESCO	UN Educational, Scientific and Cultural Organization Organisation des N.U. pour l'Education, la Science et la Culture Organización de las NU para la Educación, la Ciencia y la Cultura
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Created in 1946 – Seat in Paris

Objective: to contribute for the maintenance of world peace, while promoting collaborations in between the nations through education, science and culture.

Its main activity is education for all. The cultural activities are mainly the safeguard of the cultural patrimony.

The general Conference of the UNESCO is composed of representatives of the Member States and use to have meetings every 2 years to fix its program and policy.

The Director-General, since 1999, is M. Koïchiro Matsuura from Japan.

WB	World Bank Banque Mondiale Banco Mundial
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Created in 1944 – Seat in Washington.

This is not exactly a bank. This body re-groups 4 institutions; one of them is the International Bank for Reconstruction and Development (IBRD) and another one is the International Development Association (IDA)

The common objective of those institutions: to reduce poverty and to improve the living conditions of the populations, while favouring an economic growth and a sustainable development.

184 States are members of the WB. They are responsible for the financing of the institution as well as the way those funds are utilised.

The resources come from international capitals. The WB can proceed to some emissions to get capitals and to rent it with low interests.

It's obligatory to be a member of the IMF to get affiliation to the WB.

M. Paul Wolfowitz from the USA is the President of the World Bank since 2005.

IMF	International Monetary Fund Fonds Monétaire International Fondo Monetario Internacional
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Created in 1944 – Seat in Washington

Objective: to secure the international financial system, to prevent crisis while encouraging the countries, to adopt sound economic policies and help sometimes to the countries which are facing difficulties to balance their accounts.

184 countries are member of the IMF.

Its resources mainly come from the contributions paid by the countries to get affiliation in the IMF as well as the contributions adapted regularly during the general revision. This contribution depends of the weight of each country in the global economy. It is calculated in regards with some economical criteria's like for example the IGP. The contribution also determines the number of voice which is attributed to each country for the votes.

For example: USA = 17,5, Japan = 6,3, Germany = 6,1, France = 5, China = 3, etc.

We can thus see that with 17,5 % of the votes, USA has a blocking power on the most important decisions as the voting proposals are adopted with minimum 85% of the votes.

The Director-general appointed in May 2004 is M. Rodrigo de Rato from Spain.

Programmes & Funds (Organizations that depend directly of the General Assembly of the United Nations and that have direct links with the social and economic Council of the UNO):

UNCTAD	United Nations Conference on Trade and Development Conférence des N.U. sur le Commerce et le Développement Conferencia de las NU sobre Comercio y Desarrollo
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Created in 1964 - Seat in Geneva

Objective: to provide a technical assistance to the developing countries to increase their trade and development possibilities.

Actually the UNCTAD is somehow marginalized after the formation of the WTO. Nevertheless this body is still having a space for critical expression, not especially on the principle of globalisation, but at least as it offers this space for the Southern countries.

The UNCTAD has a general meeting every four years to define its priorities and orientations and to debate on the main issues regarding economy and development.

All member countries of the UNO are legitimately member of UNCTAD that is much more a debating space than a decision body like the WTO.

The last Conference was hold in Sao Paulo (Brazil) in June 2004.

On September 1st of 2005, M. Supachaï Panitchpakdi from Thailand, former Director General of WTO during the last 3 years, has been appointed as General Secretary of the UNCTAD.

UNHCHR	UN High Commissioner for Human Rights Haut-Commissariat des Nations Unies aux Droits de l'homme Alto Comisionado de las NU para los Derechos Humanos
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Created in 1993 - Seat in Geneva.

Objective: To promote the creation of a better world while encouraging the international community and its Member States to respect the international norms recognized in the frame of Human Rights.

This body gives support to the Human Right Commission and its mechanisms. It also ensures the secretariat of the Committees, which monitor the way how States are realizing their involvement and promises regarding the main treaties on Human rights issues.

The organization collaborates directly with NGO's to promote and protect Human Rights.

Ms Louise Arbour from Canada is the High Commissioner since July 2004.

UNHCR	UN Refugee Agency Agence des Nations Unies pour les Réfugiés Agencia de la ONU para los Refugiados
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Created in 1951 – Seat in Geneva

Objective : to ensure an international protection to the refugees, to seek sustainable solutions to their situations and to provide them a humanitarian assistance.

The organization tries to facilitate the volunteer-return to the native country, or the integration of the persons in the host country or the integration in another country.

The resources of the HCR are totally depending on the volunteer contributions for its protection and assistance programs.

Since June 2005, the High Commissioner for Refugees is M. Antonio Guterres from Portugal.

WFP World Food Programme
Programme Alimentaire Mondial
Programa Mundial de Alimentos

Created in 1953 – Seat in Rome

Objective: to distribute food aid and to fight against hunger, in collaboration with the FAO.

This aid goes to the victims of natural catastrophes (i.e. tsunami), to displaced persons or refugees (i.e. Darfour) and to all persons suffering from hunger and malnutrition (i.e. Niger).

The financing is exclusively provided by volunteer contributions of the States. The donations can be financial or as in foodstuffs. The preference goes to financial support that gives the possibility to the States to utilize it in the best way possible and to avoid mediatic propaganda.

As the WFP doesn't have independent financing source, it is necessary to add transportation costs for all donations to reach the beneficiaries.

UNDP UN Development Programme
Programme des Nations Unies pour le Développement
Programa de las NU para el Desarrollo

Created in 1965 – Seat in New York

Objective: to coordinate the operational activities for development lead by the UN system.

Principal organization for giving assistance to development through its network of 136 bureaus in the world. UNPD collaborates with governments, organisations of the civil society and population in the developing countries.

Its resources come from the volunteer contributions of the UN Member States or UN organisms.

UNDP publishes every year the « Report on Human Development » that allows an evaluation on development level in the world.

UNICEF UN Children's Fund
Fonds des Nations Unies pour l'Enfance
Fondo de las NU para la Infancia

Created in 1946 - Seat in New-York.

Objective: The protection, survival and development of children in the frame of the Convention related to Child Rights.

The UNICEF supports programs made to improve the situations of children in the world, especially those who are living in developing countries. The organization has 242 offices in 133 countries. It's income, for 30%, comes from private sectors or non governmental sector.

The Director General is Ms Carol Bellamy from the USA.

Bodies in collaboration, the ones who have special agreements with UN but are not member of the UN system.

WTO	World Trade Organization Organisation Mondiale du Commerce Organización Mundial del Comercio
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Created in 1995 - Seat in Geneva

Objective: to promote the free commercial exchanges in the international market, while opening the borders and shifting the tariff barriers. This means, everything that can be an obstacle to free circulation of the merchandises between the countries.

It counts today 148 Member States. Decisions are reached by consensus, each country. But, all the countries do not have the same human, technical and financial resources to be present, to attend all meetings and influence the decisions.

Amongst the commercial agreements of the WTO, we can find the AoA (Agreement on Agriculture). The objective of the AoA is to reduce the export barriers and to prevent the direct and indirect supports to production.

The last Ministerial Conference of WTO took place in Hong Kong in December 05.

M.Pascal Lamy, from France, is the Director General of the organization since September 01st of 2005.

AGRICULTURAL PRODUCTS IN THE INTERNATIONAL TRADE

CORN

Grain of corn:
Basic food.... Exchange money...

The history of corn grain is closely related to the history of humanity. Since the ancient period, corn is the base of alimentation due to its high nutritive value. 3 millions years back, human being were nomads; they hunted and collected fruits to ensure their food. Nomadism progressively changed into sedentary which allowed cultivation of cereals. In the Neolithic period (8000 years before JC) corn was a product of cropping, consumed as non cooked or cooked. 3000 years before JC that the first process of bread making has been elaborated by the Egyptians: this was the first cake made by corn.

Man at that time was able to produce his own food. At the same time he acquired his self-food sufficiency and the first commercial exchanges started. Following the exchanges, the process of bread making were ameliorated, thanks to the Hebrews, the Greeks and finally the Romans. They spread its use all over Europe. In this way corn in its various forms (bread, couscous, semolina, biscuits, pasta, etc.) becomes the main food in the occidental civilisation.

1. Comprehension of the situations

a) The production

- **Repartition:** countries or group of countries in %, global data's on the world cereals market in millions of tons

	2002-2003		2003-2004	
Europe	134,8	23,8%	114	20,5%
Ex –URSS	69,1	16,9%	61,5	11,1%
North &Central America	62,8	11%	90,3	16,3%
South America	18,5	3,2%	23,5	4,2 %
Near East	37,7	6,6%	38,9	7 %
Extreme Orient (including India and China	186,9	33 %	179	32,3 %
Africa	17,3	3%	21,5	3,8 %
Oceania	10,4	1,8%	25,2	4,5 %

(Source: International Cereals Council)

- **Volume produced**

	2002-2003	2003-2004
Production in millions of tons	566	554

(Source: International Cereals Council)

- Rendering

At the world level, the amelioration of the cultural technology and the genetic selection of the seeds have lead to a considerable growing of the rendering, coming from less than 10 q/ha (q= 100 kg) in 1900 to more than 25 q/ha in 1990.

Countries of South America remain stable with an average of 20q/ha, Africa and Near East region with 10q/ha, Egypt and Saudi Arabia reaching 35 to 40q/ha in irrigated land.

In Europe, high renderings were obtained in intensive agriculture. The average rendering has grown up from 30 q/ha to 60 q/ha during the last 30 years; which represents an average progression of 1 quintal per year per ha. In France, the benefits are remarkable. Today, the production is up to 80 to 100 quintals per hectare for the most industrialised farms.

The augmentation of the rendering and of the cultivated surfaces thus leads to a strong growth of the production that reached 275 millions tons in 1965 to 600 millions tons in 2003.

Corn is the first cereal in the exchanges (45% of the exchanges in 1998)

b) The Consumption

World consumption in quantity

	2002- 2003	2003-2004
Consumption (millions tons)	600	592
Final Stock	164	126 (corresponding to 100 days of consumption)

(Source: *International Cereal Council*)

Since 1960, consumption has also increased in quantity in Asia and in quality in Europe. In the developing countries, the annual consumption per head was notably progressed from 1905 to 1985: in Near Orient from 181 to 248kg, in North Africa from 131 to 204 kg, in Sub-Saharan Africa from 8 to 16 kg.

The case of Africa is particular: the consumption of corn is slower than in other countries. Even not known in the country side (Senegal 2 to 3 kg per year/per head), bread represents a weak urban demand (Dakar: 33 kg per year/per head; Abidjan: 8 kg/per year/per head).

We have also to notice for the African continent, the risk in the food habits by importation of corn flour, at the detriment of the local food crop production.

We have seen a slow increase in the industrialised countries: consumption is nowadays around 240 kg per year/per head, and previsions for Europe are stable. At the contrary, African demand and mainly Asian demand seems to be in augmentation. Today, a Japanese eats 30 kg of corn per year for 78 Kg of rice and a Chinese from the North eats from 140 to 150 kg. In 1960, industrialised countries consumed 63 % of the world production; in 2000 those data's have changed, as Africa and Asia consume 60% of the production.

c) The World trade

As for the importations, buyers are numerous with a quite important proportion of developing countries. Following WB data's they represent nearly 2/3 of the total of importations.

In spite of this dispersion, some actors are dominating: Brazil, first world importing country as well as some Asian countries like Indonesia, South Korea and Japan. China was the first world importing country in the 90's with 40 million tons per year, which comes 14% of the world trade. Today, China has reached an equilibrium and import only 0,4 million tons per year which represent 0,37%.

North Africa and one part of East Asia have increased the volume of their cereal's importations. But in the second part of the 90's the increase of importation has get slow down, mainly because of lack of oil resources, that has forced them to reduce their demand.

In Sub Saharian Africa, importations have also been reduced by the end of the 90's in spite of an increasing demand. For many countries of the region, food aid represents an important part of the local importations...

- Importation

2002	Millions of tons	%
World	105,3	100 %
Europe	14,7	14 %
North and Central America	7,5	7,12 %
South America	11,3	10,73 %
Near Orient	11,6	11 %
Extreme Orient	25,3	24 %
Africa	29,1	27,63 %
Oceania	0,9	0,85 %

(source: International Cereals Council)

- **Exportation**

9 big exporters controls nearly 90% of world corn trade: USA (22% of the exchanges), Canada (8%), European Union with 15 countries (15%), Ex- URSS (Russia, Ukraine, Kazakhstan) (24%) for Northern hemisphere and Australia (11%), Argentina (6%) and India (5%) for Southern hemisphere. Inside European Union, French position for export is dominant. Its part on the world market is about 9%.

Year 2002	Millions of tons	Percentages
World	105,3	100 %
United States of America	23,2	22,03 %
European Union	15,5	14,71 %
Russia	13	12,34 %
Australia	10,9	10,35 %
Canada	8,6	8,16 %
Ukraine	6,7	6,36 %
Argentina	6,1	5,79 %
Kazakhstan	5,6	5,31 %
India	5,4	5,12 %
Turkey	0,8	0,75 %
Rest of the world	9,5	9,02 %

(source: International Cereals Council)

The countries commercialise only their surplus of production, which influence the world price, the surplus being different every year. Prices are thus fixed for only 20% of the world production. Those 20% represent the real market which is also influenced by the term market. Actually the reference price is the price of the American corn "Soft Red Winter (SRW), provided in Mexican gulf, and which gets its value in the Chicago Board of Trade. This is the world corn term market. There are other term markets (about 20) or trade bourses all over the world which represent more or less 70 basic agricultural, energetic or mine products.

2. Analysis of the mechanisms

a) Term market of Chicago

Term market of Chicago, actually is not exchanging physical quantities of corn but only papers representing contracts in between buyers and sellers. The activity of this term market is as financial as bourses of value as only 2 to 5 % of the contracts really give reality to physical corn exchange. This market, even if it's mainly financial market, interest the real world corn trade as it's base its price on the term market values.

The term market allows as well to ensuring against important fluctuations of the values as the transition volumes represent the real evolution of the world market. The values daily established are controlled by the market authorities which gives it some transparency.

Term market of Chicago limits the risks generated by the international trade, as trade and speculation are complementary on this market. More you can find speculators ready to assume the risks, more easy traders will find the necessary cover for the commercial operations. In the same mechanism, more the needs of the traders are important more perspectives of financial benefit are present. The term market of Chicago is thus essential for the international corn trade. But this kind of market is mainly the part of the prerogative of big industrialised countries.

Term markets are the main indicators on which buyers and sellers are looking for the trading of their agricultural products for their international transactions.

b) Influence of the agricultural policies

But this market has also its limits and is more and more contested. Term market of Chicago is no more the reliable indicator of a world price, because the notion of one unique world price is nowadays contested. Actually people use to refer now to the price of Mexican Gulf, price of Argentina and price departure from Rouen. Each price corresponds to an origin and particular quality.

We can thus say that the prices are no more constituted with the offer and demand because support to exportation is influencing this rapport. This is mainly due to the agricultural policies of each country.

c) TNC, Trans-national Companies

Another factor can also change this way of determining the prices, since 90% of the corn world exchanges are in the hands of 5 companies (Continental Grain, Louis Dreyfus, André, Cargill, Bunge y Born). They have a real weight as they arrive to maintain the prices, practising in between the agreements and competition so that they influence in determining the world prices.

World prices are thus not only formed by offer and demand but also by many other factors we have just described. Actually the political interventions of each country falsify the prices and don't allow the values to play their director role for the establishment of the corn prices.

All those factors can partly explain the fluctuations of the world prices. The world value fluctuates with regard to the offer and demand, thus to stocks, policies and markets.

d) Influence of the stocks

The level of stocks made the prices increase or fall down, as the weakness of the cereal stocks has a tendency to increase the price fluctuations year by year.

The level of the stocks depends on, in between other factors:

- The consumption: for example in between 1992 and 1995, consumption was higher than the production and has a consequence, i.e. a strong withdrawal of the world stocks
- The climatic accidents: as for example the floods of 1993 in USA, the dryness in Australia in 1994, the very bad meteorological conditions in America in 1995, the dryness in Europe in 2003
- The agricultural policies: aiming to reduce the costs by the control of the production. This is the case in Europe with the setting of an obligatory freezing;
- The substitutions of cereals and cultures more benefiting as culture of oleaginous.

The ratio stock in percentage of consumption is a good indicator of the “temperature” of the market. It should not be below the FAO norm fixed up to 17%. In 2003-2004, the rapport was of 21,3% . Stocks are playing a role of shock absorber.

3. Perspectives for the future

In the message for the World Food Day 2005, the Director General of the FAO, recalls the contribution of diverse cultures to the world agriculture and stands that sincere intercultural dialogue is a preliminary condition to any progress in the fight against hunger and degradation of the environment.

(Declaration of FIMARC and MIJARC of the World Food Day 2005).

a) Human rights

The FIMARC recalls that the right to food, constitutive of food sovereignty, is written since 1993 in the economic, social and cultural rights. The respect of this right and its application are indispensable conditions to reach the objective of 50% reduction of the number of sub-alimented people in 2015. The intercultural dialogue, that is the richness of the exchanges, can surely help to reach those objectives and make more confident in our mission to promote and accentuate them.

b) Towards solidarity economy

To attain solidarity economy we want to promote and develop an alternative research, which will improve the soil and cultivating practices. Same time we want to safeguard the traditional seeds adapted to the soils and climates of the different regions. Also we insist to promote family based agriculture for quality production. It necessitates a real agrarian reform in numerous countries to guarantee an access to land for all.

c) Food sovereignty

We recognize the value of the exchanges, whether from a human point of view or in the exchanges of "good practices" in agriculture. Nevertheless we insist on the security principle in this exchange of practices when M. the Director General in his speech refers to "...exchanges between experts who are showing techniques elaborated in laboratory...". We reminded in 2004, the potential danger of the utilisation of GMO's which are contaminating traditional plants, without any master of the consequences, which are also an important cause of the potential reduction of the genetic diversity and that lead to the loose of autonomy of several small farmers.

Nowadays we have to notice that when we heard speaking of exchanges in agriculture, those are actually commercial exchanges. Those exchanges and their regulations are of course necessary in the actual global context but, the way they are regulated is not leading to the reduction of the debt in the poor countries, neither to the Millenium Development Goals which aim to reduce poverty by 50% till 2015. We regret that, on one hand FAO mobilises to better the living conditions of developing countries, and on the other hand to see the representatives of those countries, during the World Ministerial in Hong Kong adopting policies which very often are against those wishes.

AGRICULTURAL PRODUCTS IN THE INTERNATIONAL TRADE

COCOA

Cocoa is originated from the tropical and humid forests of Central and Latin America: Mexico, Venezuela and Ecuador. Following a Mexican legend, cocoa plant has been discovered in the sacred fields of the sons of sun by Quetzalcootl, the sacred king of the Toltec's.

1. Comprehension of the situations

a) The production

Cultivated by the Mayas and after by the Aztecs, used as a drink or as exchange money in the 19th century, the production grows in West Africa and later in 1970 in South East Asia, under the colonial period.

- **World production 2001 – 2002:** 3 millions of tons of cocoa beans

Volume	
Central and Latin America	13 %
West Africa	70 %
South East Asia	17 %

(Source of CNUCED 2003-2004)

Countries	% of production
Ivory Coast	37
Brazil	6
Indonesia	14
Ghana	19
Nigeria	6
Cameroon	5
Others (Malaysia, Ecuador, Columbia, Mexico, Dominican Republic, Venezuela, Papaouise)	10

- **Evolution of the production**

In the beginning of the 1970`s, production of cocoa beans was concentrated in Ghana, Nigeria, Ivory Coast and Brazil. Now we can find it in diverse regions as Pacific Islands and countries like Indonesia where we can observe a spectacular growing production rate. Production is growing very fast in South East Asia. For example, Malaysia which is nowadays the 5th world producing country: in 1975 it grows cocoa on 10.000 ha, in 1994 on 400.000 ha, and in 2000, on 2 millions of ha.

b) The consumption

Cocoa is mainly produced in developing countries but its diverse products are mainly consumed in industrialised countries.

Consumer's countries in %:	
USA	26
Germany	11
France	9
United Kingdom	7,3
Russia	7
Japan	6
Brazil	4
Italy	4
Spain	3
Others	23

c) The World Trade

Country	% of cocoa in the exportations	Number of farmers *
Ghana	43,7	600 000
Ivory Coast	38,7	700 000
Cameroon	18	220 000
Nigeria	2,4	300 000
Malaysia	1,9	50 000
Brazil	1,6	30 000
Indonesia	0,1	50 000

* Those data's are not taking into account the agricultural workers in the plantations

(Source: Fair Trade, Memento 1995, EFTA 1995, page 71)

- Exportation by destination in 2003 :

Country	Tons produced	Main addressees of the exportations
Ivory Coast	937 816	UE (698 000 T), USA (152 000 T), Russia & Canada
Indonesia	322 551	USA (166 300 T), Malaysia (76 000 T), UE & Singapore
Ghana	310 657	UE (210 700 T), Japan (46 600 T), Turkey (33 000 T), Malaysia, Canada, USA, Singapore
Nigeria	201 400	UE (172 000 T), Turkey (29 400 T)
Cameroon	120 155	UE (120 155 T)
Ecuador	20 944	USA (20 944 T)
Dominican Republic	24 109	USA (24 109 T)

- **Transnational having the control**

Their size give them a market power quite important. They are in situation of oligopoly and play a major role in the fall down of international prices.

- 5 Northern enterprises are controlling 80 % of the world trade. The most powerful are Caillebaud, ADM Cocoa and Cargill;
- 5 multi-national Eastern companies controlled the processing of cocoa beans: Caillebaud, ADM Cocoa, Cargill, Nestlé and Hamester;
- 6 multi-national companies share 80% of the market: Hershey (Mars), Philipp Morris ("Côte d'Or"), Kraft (Jakib-Suchard), Nestlé (Cadbury), Schweppes (Ferrero).

Cocoa is the 3rd crop in the world market; it is called "brown gold", very much appreciated by the traders and the processors.

d) Types of agriculture

Produced in developing countries, cocoa is mainly exported. Its cultivation needs a lot of workers for the harvesting, process of fermentation, drying, and all tasks which are hand realised.

- Family production: West Africa, Central and Latin America
 - 1,2 million families are depending on cocoa production which is the main source of their incom
 - Plantations of 4 to 5 ha in poly culture
 - Few or inexistent organisations for the production and the professional defence
 - The producers are not following their product up to marketing .(not giving importance to valuaddition). That is why they are totally depending on the buyers

- Production on big areas
 - From 500 to 5 000 ha
 - Very often properties of multinational companies
 - Monoculture, salaried workers coming from foreign countries

- Public supports

Till the end of the 20th century, buying and exporting were organised by the States organisations. The objectives were to stabilise the income for fixing an annual price for the production; to make contracts for the market in the Bourse; and to organise a proper transporting system.

Without any notable effects, while there was overproduction, under the influence of IMF and WB, the producing countries have been forced to give cocoa trade to private enterprises.

2. Analysis of the mechanisms

As cocoa is exclusively producing in developing countries, thus without competency with the Northern agriculture, it constitutes an important source of income for the producing countries. At the first rank, we can find Ivory Coast which represents 36% of the world production. As a lot of other agricultural raw material, the world value of cocoa is characterized by a constant fall down.

Till the beginning of the 1980's, it seems a constant and growing demand for cocoa. But the production has exploded with the doubling of Ivorian production and the arrival of new producers on the market (Indonesia, Malaysia), following the precept of IMF: to develop the export's culture in order to make money entering the country and refunding the public debt.

As a result the world stocks had exploded and the fall down of the prices had affected all the actors in the channel in the producing countries: farmers, transporters, traders, States (lack of money from the export)

On the opposite of the chain, the European consumer has not seen any difference in the price of its chocolate... even it's the contrary.

a) Cocoa Trade

Till the end of the 20th century, in the majority of the producing countries, trade and export were done by states organisations. It was a main task to stabilize the revenues of the planters while fixing an annual buying price. They were the ones to control and conclude the markets with the intermediaries of the cocoa bourses of London and New York and to organize the buying, transport, stock, control and selling of cocoa. With the income, they were able to support the prices and to guarantee credits with law interests to the planters. But quite often, those state organisations were not that much efficient and were taking high taxes from cocoa production. As for the international conventions on cocoa, they were supposed to stabilize the world value and by the same to procure guaranteed income to the planters. Actually those conventions were mainly without any effects because of the chronic overproduction of cocoa and antagonist interests between producing and consuming countries.

Under the influence of WB and IMF, liberalism has gained the market of brown gold. The producing countries have given the cocoa trade to private enterprises, opening by the same their national market to competition.

b) World value of cocoa

Cocoa price is fixed in the Bourses of London and New York. The mechanism is the one of offer and demand, in other words, the market law. Cocoa market is rather speculative and this creates price instability.

- Important fluctuation of the prices

- Very high prices in 1970: growing of the production especially in Ivory Coast, Malaysia and Indo-China
- Fall down of the prices from 1978 to 1981: the value is divided into 2; in 1983 – 1985, a little betterment gives hope but in May 1986, a new crisis appears with at the same time fall down of the cocoa value and fall down of the US\$.

- **Agreements**

- 1972: signature of international agreements on cocoa (ICCA) to stabilize the prices and regulate the quotas
- 1980: this mechanism is not able to stop the fall down of the prices
- 1992: the price is at its minimum: 830 US\$ per ton
- 2001: the last international agreement concluded in March 2001, has none economic clause and nothing is mentioned about a price regulation mechanism. Cocoa market is more than ever submitted to market's law. With regard to the fall down of the prices, there is no mention of the rich consumer countries' responsibility, except the one which recommend the promotion of cocoa consumption in the home country. The recent European directive that allows the utilisation of vegetable fat instead of cocoa butter in the fabrication of chocolate is not at all following this recommendation. Cocoa producers, especially in Africa, should not expect any support from this new agreement to see a betterment of the prices. This cocoa agreement is nothing more than an empty shell.

3. Perspectives for the future

“ The presence of private societies in food sectors, agriculture and water can be a factor of efficiency, but a huge concentration of monopolistic power, can be a great risk as well as for producers than consumers.”

(Human rights Commission in UNO – 2004)
Jean Ziegler, special reporter of the UNO

a) Human rights

During the 11th UNCTAD Conference in June 2004 in Sao Paulo (Brazil), a consensus has been elaborated in favour of the less developed countries.

The right to a policy space regarding the international trade regulations has been recognised. This is an essential opening to elaborate and to work out national development strategies corresponding to the needs of each country. This is actually the first time to see this concept written down in an inter-governmental declaration.

b) Towards solidarity economy

Criteria's for a fair trade of cocoa have been established since 1988 by numerous non governmental organisations (NGOs), in a partnership between Northern and Southern Organisations. This fair system is based on 2 essential pillars: the criteria's and the controls.

Those criteria's include 3 fundamental notions linked to sustainable development:

- *Socially*: this system must lead farmers to more autonomy and must allow better living conditions for the waged workers
- *Ecologically*: the preservation of environment is taken into account, organic production is promoted
- *Economically*: this system, which is a process, must be viable without support and must be profitable to all protagonists of the market, from the producers to the consumers.

c) Food sovereignty

- *FIMARC*

“The States, members of WTO, are also United Nations Organisation members (UNO). To preserve food sovereignty of all peoples and to guarantee their right to a sustainable development in solidarity, the FIMARC imperatively demands the States to put their international trade practices in conformity with the principles of Human Rights Declaration and with the Pact related to economic, social and cultural rights. This is only way to have a chance to see the right of all people to fix its agricultural and alimentation policy, being achieved.” (FIMARC Declaration to the Human Right’s Commission of the UNO in 1999).

The concept of food sovereignty strongly defended by FIMARC is nowadays valorised by more and more civil society organisations and particularly by Via Campesina, the international farmers movement.

- *Via Campesina, International Organisation of Farmers Movements and farmers trade unions*

Via Campesina and its members organisations affirm “food sovereignty gives obviously priority to live production, healthy, of good quality and culturally adapted for the local market. It is fundamental to maintain the food capacity production based on a diversified farming production (bio-diversity, productive capacity of the soils, cultural value, preservation of natural resources) to guarantee independence and food sovereignty of the populations...”.

AGRICULTURAL PRODUCTS IN THE INTERNATIONAL TRADE

COFFEE

Originated from Ethiopia, coffee is consumed during religious ceremonies and also utilised as a medicine. Its therapeutic virtues are recognised for the treatment of various diseases. In the beginning of XVIII century, boats from the Venetian Fleet coming from Turkey, brought the first coffee bags in Europe. Like cocoa it is reserved for rich people. We'll have to wait till the XIXth century and the industrial revolution to see its consumption available for all people

1. Comprehension of the situations

a) The production

Following ICO (International Coffee Organization), the cultivation of coffee covers 17 millions of hectares all over the world. The coffee plant is cultivated in tropical and sub-tropical regions, at the side of mountains up to 2000 m of altitude on small pieces of land, steep and sensitive to land erosion. Coffee plantations constitute forest spaces propitious to the diversity of the flora and fauna.

The actual crisis has a direct impact on the ecological balance; this is a serious world problem.

- Producing countries vs. % of world production:

Brazil	40 %
Vietnam	12 %
Colombia	11 %
India	4 %
Indonesia	5 %
Other countries	28 %

Those 5 countries represent 72 % of world production: Brazil, Vietnam and Colombia represent 63% of the world production. In 10 years Vietnam has reached a very good position in the first 10 coffee producers.

- Cultivated surfaces:

70% of the world production is grown by small farmers cultivating less than 10 hectares; 50 % have less than 5 ha. 70 countries are concerned by this culture. This represents 100 millions of rural employment.

- The yearly world production

Around 6.300.000 tons of coffee is producing yearly. 100 to 115 million bags of 60kg are produced every year. The surplus of production is about 540 million kg. The production exceeds 8% than the consumption.

- Producers

25 million producers are depending on coffee for their daily life: small producers, very often they are not organised, don't have a real knowledge of the world market prices, don't have money provision, thus they don't have any power for the negotiation.

b) The consumption

From North to South, 40% of the world population consumes coffee. Every year, it represents 400 billion cups of coffee or 1,400 billion per day.

Industrialised countries consume 70% of the coffee production:

- USA: is the first consumer with more or less $\frac{1}{3}$ of the production
- EU: consumes 40% of the world demand, with the highest percentage of consumption per head; main consuming countries: Germany, Italy, France, Spain
- Japan: 10% of the world production, coffee comes just after tea.

If we are going to the North of the planet, we can find a high consumption: Scandinavian countries: 10 kg per head, per year; Belgium: 5 kg, France: 5,5 kg
In the South, the consumption is 4,5kg per head per year but it is growing on.

The world consumption is stabilised and in the same time the production has grown of 20%, since 1990. In 2002, the surplus reached 20 million of tons. The market is really flooded with this surplus.

The majority of the consumers buy coffee in the supermarkets which see a rather important growth of their business. The supermarket "Carrefour", with an annual turn over of 52 billions euros, is present in 26 countries and has imposed its presence at the second rang of distribution.

Countries importing raw coffee in %

- USA: 27% - Germany: 19% - Japan: 8%
- Brazil, Indonesia, Colombia import processed coffee as they are not able to ensure the processing locally and satisfy their own demand.
- Brazil is the biggest coffee consumer.

c) The World trade

Coffee is the second produce on world market of commodities, just after oil. It's the first agricultural product of exportation, the "green gold".

There are two markets for coffee:

- I. Market for the raw products of trade quality in grains, sold on the competitive market as indifferential product.
- II. Special markets:

- Aromatic coffees from organic origin, with fixed prices depending on the quality. Those prices are usually higher than the market prices. It represents 10% of the world coffee marketing;
- Organic coffee as fixed by the EU norms; the exchanges represent 1% of the world trade value and 0,5% of the volume;
- Fair coffee: 14.400 tonnes in 2001, it is 0,2% of the volume of exported coffee.

- **Channel**

Coffee passes through the hands of several intermediaries (10), local traders, exporters, international negotiators, processors and distributors. Each one of them, at each step, is getting a part of the coffee value sold in the supermarket. It is also necessary to add all other actors of darkness who are not directly involved in the coffee trade but are getting large benefits from it: the export States and speculators.

The producers sell their coffee to local intermediary traders, named “coyotes” in Latin America. They are very often the only actors present in the coffee trade at the local level. This position gives them an enormous power (bank, transport, shops); they are considered as the elite of the villages. From the hands of the coyotes, coffee goes to the hands of exporters. But before that, it goes through a first processing step realised by specialised private enterprises. Coffee is packed in 60kgs bags and sent by ship to import countries. Globalisation of the market has led to a real explosion of the number of private export companies. Only the competitive enterprises are the winners and are delivering a strong competition.

Exporters have to face the growing emergence of international negotiators. These negotiators are easily and actively going in the producing countries, create their own subsidiaries or deal immediately with the local producers.

Facing those giants, exporters are facing a lot of difficulties to maintain their business: less competitive, they are seeing their benefit margin falling down after the fall down of the world value. In Uganda, for example, the number of exporters went down from 150 to 20 in 10 years.

- **Exporting countries vs. % of world trade**

Brazil	25
Vietnam	15,4
Colombia	11
India	4

(source ICO 2001-2002)

Exporters are selling coffee to international trade companies, the most powerful are: Neuman Kafee (Germany), Volcafé (Switzerland), Cargill (USA), Esteve (Brazil – Switzerland), Arom (USA), Mitsubishi (Japan); 4 of those big companies (Volcafé, Cargill, Esteve, Arom) control 70% of the market. They are directly involved in the regions, train their own employees, set up their filialness and control the coffee quality.

- **The empire of roasting**

It is at this stage that coffee gains the major part of its added value and the prices are blowing off. The roasting trans-national companies (TNC) are the first clients of international negotiators. 5 of them dominate the market: Nestlé, Procter/Gamble, Sara lee, Kraft, Tchibo. Those 5 are covering 2/3 of the roasted coffee market. In the industry of coffee powder, Nestlé is the world leader (Nescafé) gaining 26% of its benefit in this sector.

The TNC's has an enormous power. They establish the rules of the game, the prices and gain the essential of the benefit margins. Their annual turnover is more than 60 billion dollars and has doubled since 1990.

- **The actors of the darkness**

Coffee price is fixed in raw material bourses – London and New York – places of exchanges in between sellers and buyers. This is the battle camp between speculators and negotiators. The certificates of selling and buying of the coffee are signed on fixed terms contract (insurance against the price variation). In the bourse, we can say that coffee is sold 12 times, due to speculation.

The fall down of coffee price from 1980 to 2002 is about 70%. Since 1990, it has passed from 1US\$ to 0,46 US\$ for _ Kg. The value in the world market is 0,46 US\$ for _ kg. Fair coffee is bought for a minimum price of 1,26 US\$ per _ kg (2004)

d) Types of agriculture

- Mono culture for exportation

- Employing lot of persons
- Using hybrid varieties with high rendering
- Mechanised and modern farms: for example: Central America, for 300 bags of 60 kg, 20 persons are needed during 3 days; in Brazil: only 4 persons and a truck;
- Intensive: 30% are very big farms; 15% of it, 10 to 50 ha, 15% more than 50 ha; in Brazil more than 1000 ha
- Competition with the small and productive agriculture
- Exhausting of the soils
- Using a lot of fertilisers and pesticides, pushed by the STN (Monsanto)
- Giving up of the food producing cultures

- Traditional agriculture

- Integrated in the environment
- Poly culture with maize, manioc, banana
- Manual: hand cropping, very often realised by women and children; in Kenya, 30% of the crop is realised by children less than 15 years
- Plantations sometimes far from the home, very small pieces of land
- Small pieces of land less than 5ha
- Coffee is transported by horse and donkey to the factory for processing
- Those small producers sell an average of 15 bags of 60 kg per year.

2. Analysis of the mechanisms

Since 1962, coffee trade was regulated by the International Coffee Organisation (ICO) Agreements. Since the suspension of these agreements in 1989, there are no more international mechanisms, or commercial laws, to guarantee a fair price to the producers or to control the production and distribution of coffee.

The small coffee producing countries, like Vietnam, have rushed on what they used to call “the dollar tree”. World Bank has supported new plantations and that’s how Vietnam is nowadays the second world producer.

Following the suspension of the ICO, World Bank and IMF have pressurised the producing countries to liberalize their coffee industry. The national entities which were used to buy the beans with a guaranteed price and deal with international market buyers have been forced to withdraw from the sector (from the production to the commercialisation and the providing of fertilisers). In Burundi for example, coffee exportation was in the hand of a public organism “The Burundi Coffee company”. It was acting as a courtier of the State to the importers since 1990. From that time onwards, exportation was open to the private sector in the frame of the economic liberalisation programs imposed by the SAP (Structural Adjustments Programs) and by the WB and IMF.

The Submission to the market: the hidden cost of the debt

Fallen down in the trap of external debt, Southern countries have been forced to implement the rules imposed by their creditors. Producing coffee countries, submitted to the SAP, have been forced to privatize their public offices of coffee and are submitted to the free market: export more, import less, reduce the public expenses, and open the borders to the Northern investors. Southern countries are thus prisoners of a vicious circle due to the exigencies of the debt and the growing prices of manufacturing produces. They are forced to produce more and more with a fall down of coffee price on the international market.

a) WTO, World Trade Organisation

Liberalisation of the exchanges has de - structured the local markets and has open the door to the TNC’s with their monopoly and commercial power:

- End of ICO agreements
- Competency in between producing countries
- In the coffee consumer countries, the customs rights are higher on processed produces than on raw produces; there is no tax in Japan, USA and EU for raw coffee; Switzerland imports 90% of raw coffee.
- Coffee coming from ACP countries (Africa, Caribbean, Pacific) have no more taxes of importation whatever the degree of processing
- EU “Everything but arms”; the “Less Developing Countries (LDC) – 49 countries benefit to the access of European market without quotas or customs rights, but the sanitary and technical norms are so high and constraining that this measure is not efficient.

b) Settlement of the FTA

The project of free trade of Americas (Free Trade Zone in Americas, ALCA in Spanish) is the settlement of a free market in the North and in the South of the American continent, allowing the free circulation of all products in between all the countries, especially for the benefit of the USA. The consequences for the coffee producers could be :

- The privatisation of the economic patrimony
- The control of the markets in favour of foreign investors
- Attempts to the economic, social and cultural, political and civil rights of the people
- Attempt to the food sovereignty right

- **Repatriation of the coffee consumption in the North**

From the producer to the consumer, the channel of liberal trade counts with 10 intermediaries. They are sharing the value of a coffee pack sent in the Northern countries, in this way:

Price in the super market	from 1,8 to 3 €
Cost for importation, processing and transport	from 1,45 to 2,65 €
Cost for exportation	0,14 €
Intermediaries	0,06 €
Producer	0,15 € which represents 5 to 8% of the average selling price

In 1980, the world production represented a value of 30 billions US \$, from which 30% were paid to the producing countries. Today, the world value of the production is 55 billions of US \$ and only 7 billions, 15% are paid to the producing countries.

- **Coffee on influence**

The era of transgenic coffee is announced. This coffee with a controlled maturity should revolutionize the production. Plans could be settled in 2005-2006.

The consequences could be:

- A better rendering and reduction of the labour costs;
- Definitive loss of culture control for the farmers for the benefit of agro-business;
- Producers in the trap of this unfair competition forced to sell their lands which would bring populations in higher distress and poverty;
- They will be forced to buy their transgenic coffee plants from the STN and also the necessary product (ethylene) indispensable to start the process of maturation of the beans. This is the vicious circle of indebtedment, a lot of producers will be excluded from the market.

3. Perspectives for the future

In its 2004 report, the UNACTAD underlines the limits of a development based on exportations: opening of the borders can only accelerate the degradation of the living conditions of small producers”.

a) Human rights

- Producers organisations
- Social movements
- NGO's

b) Towards solidarity economy

- Consumers mobilising their efforts in favour of fair trade, in solidarity with the producers. And for another globalisation wherein the workers, the producers, the consumers and citizens are actors of their own development.
- Organisations of small cooperatives, 300 in 26 countries supported by fair trade organisation, with training programmes and access to credit (Artisans du Monde)
- “African Association of quality coffees” (Burundi, Ethiopia, Rwanda, Tanzania, Uganda, Kenya) in order to have a better understanding of the market, to provide coffee from better quality and to build up organisations more rigorous and efficient.
- In Guatemala, 2 partner NGO's of CCFD (Catholic Committee against Hunger and for Development) have an objective to reach sustainable alternatives. The PIT (Inter Diocesan Pastoral of Land) and CCDA (Farmer Committee for the development of Alti Plano) are working in close collaboration with the population concerned by coffee production in order to build up a real reform of the sector. For this they are supporting small cooperatives through micro-credits for the betterment of coffee quality and also give support for the production of organic and sustainable coffee production.
- Reduction of the coffee stocks in order to clean the market; in a 2002 report, OXFAM proposed a temporary tax to the processors to finance the destruction of the surplus.

c) Food sovereignty

In the final declaration of the international seminar on ALCA (FTAA), organised by the movements of Andean Countries of FIMARC, the movements strongly refuse the unfair treaties of ALCA and invites movements of the civil society as well as associations to re enforce their links. They also invite the Church to re-enforce its option for the poor, call for mobilisation in order to re enforce a real sustainable development, to consolidate initiatives for access to land and to natural resources, to protect biodiversity and for a good water management.

During its world meeting in 2002 in Cotonou, the members of the General Assembly have decided to launch an international campaign in favour of the small coffee producers. As a first step, denunciation and information on the situation of small producers has been disseminated. A second step will be to support them in their organisations, for the consumers to go for fair coffee trade and boycott of the trans-national companies. At the same time, lobby to the international institutions will be organised in order to control the market and to give back power to the ICO to play their role of regulator.

AGRICULTURAL PRODUCTS IN THE WORLD TRADE

C O T T O N

Since the XIX century, cotton is the first textile fibre in the world. Since the seventies, it suffers from a great concurrence of the synthetic fibres which represent today 60 % of textile production.

1. Comprehension of the situations

a) The production

- Repartition:

Asian countries	Industrialised countries	African countries	Other countries
China 18%	USA 19%	5%	22%
India 14%	Australia 4%	-	-
Pakistan 9%	UE 3%	-	-
Uzbekistan 6%	-	-	-

- Surface:

Cotton is cultivated in 3% of the world cultivable surface.

India – China- Pakistan	50% of the cultivated superficies
Other Asian countries	10%
Industrialised countries	20%
Africa	in some countries, cotton represents up to 30% of the cultivated area

- Evolution of the production:

It has doubled in 40 years; in volume it has been multiplied by 4 in 20 years in Western Africa.

- The producers

20 millions of farmers are cultivating cotton in the world. 97% of them are living in the developing countries.

- Countries

Different from cocoa and coffee, for example, produced in tropical zones and exported to the North, cotton grows in Southern and Northern countries. In this context, concurrence is falsed due to the gaps of competitiveness between South and North and of the subsidised production policies of the industrialised countries.

b) The Consumption

Asian countries are historically producers for their internal needs. If they get surplus production, they can become important exporters. EU consumes their own production, thus is not an exporter.

c) The World trade

USA	Western Africa	Asian countries
23%	15% of the global market	China: 16%
(the first exporter)	-	India: 15%
-	-	Pakistan : 11%
-	-	Uzbekistan: 5%

Cotton world trade is facing profound modifications since January 2005, especially by the integration of all textile and clothing sector in the common regime of the WTO and by the disappearance of the multi-fibres agreement, existing since 1974. It has an objective to limit the exportation of textiles from the developing countries to the industrialised countries, through a quota system which has been progressively dismantled.

This will provoke a very strong competition in between the producing countries to recover parts of the markets, till now artificially protected by this quota system. China will be the main beneficiary of this new situation as well as India, even if it is less. The poorest countries are not well equipped to resist to this situation.

World rates:

- Going down every day because of the progression of the demand of synthetic fibres
- They influence by the situation of offer and demand in China
- Determined mainly by the subsidies allowed to the cotton producers of the North, especially in the US, the first exporters. In any case, the world rates are not taking into account the production costs and not erase the gaps in between competition.

d) Type of agriculture

- Developing countries: small farmers with small revenues cultivate surfaces of 2 hectares or less. 10 to 11 millions of producers are living in Western Africa.
- USA: 25.000 producers. Half of the production from the USA comes from highly mechanised farms, from 400 to thousands of hectares.
- European Union: 71.600 producers in Greece with an average of 5 hectares. 7.600 producers in Spain with an average of 12 hectares of cultivation.

2. Analysis of the mechanisms:

a) Local markets

Today, French speaking countries of Africa export 95% of its raw cotton and transform only 5%, which reduce, quite a lot, the added value of production.

It is important for Africa to search the means to re-appropriate its cotton, and it's much more important than participating in the global fight against neo-liberalism. The local process/ value addition of the cotton fibre could be promising because it could create employment and added value from a local know-how.

The UEMOA Ministers (Economic and Monetary Union of Western Africa – 8 countries) have planned to transform 25 % of the production of cotton fibre from now to 2010 and to ensure the creation of 50.000 employments. But measures have to be taken: to forbid the importation of printed stuffs, to provide a preferential price for cotton to the local entrepreneurs, to suspend taxes on the sales realised on the internal market. This project implies the State to indirectly support the industrials, for example by a negotiated price of the electricity costs.

The African cotton producers receive less than 1 Euro per kg of raw cotton. Once it is transformed in thread, cotton triples its value and when it's weaved, its value is multiplied by 6. We can thus say that value addition might be an interesting solution. But it is necessary to take into account the concurrence of Asian countries benefiting from long time of performing industries. The massive arrival of second hand clothes in Africa is also a cause for brake to the development of local economy.

b) Action of international organisms

- WTO, World Trade Organization

More than 50% of the world cotton production is subsidised.

To denounce the unfair competition caused by those subsidies, in 2003, Brazil put a case in the ORD (Organism of the WTO for the settlement of the difference). For the first time WTO pronounced a condemnation with regard to the case of internal subsidies, while condemning US subvention policy to cotton producers. This condemnation was pronounced in April 2004.

African countries, in spite of relevant arguments in this cotton dossier, don't have the means to put a case in the WTO for unfair concurrence. But they have found encouragement in the case won by Brazil against USA, to support the initiative launch in June 2003 by 4 producing countries of Western Africa (Mali, Benin, Chad, Burkina Faso).

These 4 countries are amongst the 10 poorest countries of the world.

Those 4 countries claim for "the total eradication of production and exportation of subsidies for cotton into 3 years". The economy of these countries is very much depending on cotton production. For Benin, it represents more than 75% of exportation revenues, half of the same for Mali and for Chad. Cotton is the first exportation good.

Taking the ground support of more than 20 countries and also with the support of Brazil, they succeeded to put this issue on the agenda of Cancun ministerial Conference in September 2003. The argument was that this kind of "export key-culture" for the developing countries must benefit from a special treatment from the rich countries.

The example of cotton represents a unique case of developing countries competing directly with industrialised countries. Costs of production are 3 times more in USA. In spite of the good quality of the cotton production, the hand pluggers, African countries who are exporting 95% of their production are the losers because of the subventions which inflate artificially the offer and make the price less for exportation.

While demanding the suppression of subsidies, Africans also request respect of the market law, in conformity with WTO regulation. The final text of Cancun does not even say a word on this. This demand seems to be heard only by the EU who has formulated a timid promise to incite the Greek and Spanish producers not to make profit out of the subsidies from their states. The support of US and EU governments to their producers represents _ of the total value of the global market.

USA government has proposed to the African countries to diversify their agricultural production and to renounce to the cotton production. They are insisting that cotton should not be treated separately but should be included in a global agreement aiming to reduce all subsidies.

By the end of July 2004, during a WTO General Council in Geneva, a compromise has been found by USA and African countries to release the cotton's dossier. African countries would accept that cotton will not be treated as a special product and USA would envisage a substantial reduction of the internal subsidies, but without establishing an agenda. The agreement proposes that a sub-committee be created to deal with this issue. It requests the WTO to consult WB and IMF to finance additional programmes to African cotton producing countries. The agreement finally says that cotton should be treated in a "speed, specific and ambitious way".

- **IMF, International Monetary Fund – WB, World Bank**

Their role in the development of export in cotton production in the Southern countries is important, with export's subsidies, in the beginning. Those subsidies are no more existing today in the Southern countries. Even if, export resources are still quite important in terms of foreign currencies.

For a long time Cotton in Western African countries have been under the control of States societies. Progressively, the states have followed the prescriptions of WB while favouring the liberalisation and privatisation processes. First of all by giving to private sector the importation and distribution of fertilizers and insecticides, then while opening to private actors, the activity of cotton shelling and transformation in cotton fibres, sold on the world market.

Very often, privatisation and re-structuration of cotton sector are mentioned in the pre- conditions to get funds allowed to the PPTC (Poor and very much indebted Countries). The SAP (Structural Adjustment Programs) are not only meant to impose changes of economical policies that permit the refunding of the external debt but also make the countries dependant of IMF and WB.

The fall down of the world cotton prices have weight down the debt and have diminished the incomes of exportation. In the same time WB and IMF has risen, only for a little, the amount of cancellation of the debt for Mali and Burkina, and without allowing any reduction for Benin and Chad.

Africa as cotton country risks to be pushed aside from the production and world market for the benefit of countries less competitive but much more subsidised. The situation is rather paradoxical: being eliminated from the market even while respecting the concurrence regulations. WTO, IMF and WB should be questionned as they promote for years the liberalisation of African Countries.

The opening of the markets recommended by international institutions like WB blown up the second hand clothes market and old clothes sold for very low prices that really strangle the local hand crafts and force a lot of textile enterprises to close their doors.

- **FAO, United Nations Organization for Food and Agriculture**

A study published by the FAO in April 2004, estimates that world cotton prices could raise up to 3,1% to 5% if subsidies were eliminated.

- **UNCTAD, United Nations Conference for Trade and Development**

A recent UNCTAD report mentions that on 14 important export's products for Africa, 12 have suffered from a big price instability between 1960 and 2000 and 9 of them have were suffered from a real reduction along the years.

Agricultural products, like cotton that suffers from so many years of the deterioration of the exchange terms are nevertheless the main source of employment and income for millions of African families.

In its February 2004 report, UNCTAD mentions that the majority of African countries are suffering from a commercial structure that exposes them to a continuous degradation of the exchange terms.

This of course questions a lot, the budgets allowed by the public powers to development programmes. This makes the governments more and more dependant of external help and raise the weight of external debt.

- **STN, Trans national Societies**

Transgenic cotton troubles the African producers, especially because of the threats for health and environment. In 2005, 24 % of the total cotton surface is planted with transgenic cotton varieties. In 1997 it was only 2%. This transgenic cotton contributes for more or less 34% of the world production and represents more than 30 % of the world exports. (Le Monde 04-02-05)

Two companies, Monsanto and Syngenta, have started tests with some African research institutes.

National committees in some countries reflect to the decision they should take, regarding the use of transgenic cotton in their countries. Only, South Africa and Burkina have adopted a legislation accepting and following the research on transgenic cotton .

3. Perspectives for the future

a) Human rights

USA and EU, with their supports to exportation, lead cotton policies incompatible with their international promises regarding cooperation for development and respect of fundamental rights.

The fall down of the cotton world price has directly contributed to the brutal fall down of monetary incomes of the small producers and governments of Central and West Africa. The incomes coming from exportation being reduced. The resources allocated to education and health, have also been reduced. The fall down of the cotton rate thus strongly affects the right to a sufficient level of life ensuring health and well fare.

There is a perspective for the future: the African countries finally manage to put the cotton issue in the agenda of WTO negotiations. They are not asking for preferential treatment but they only ask WTO rules to be respected. The African civil society from its side say more and more strongly, its determination to be listened and to see its rights respected.

b) Towards solidarity economy

The suppression of the supports provided by the US and the EU to their producers would allow in a short term, to reduce the cotton production of those countries. The cotton's price would go up again and the African cotton producers would have a better access to the market with, as a consequence, more income. This would be the affirmation of solidarity between Northern and Southern producers and governments.

An alliance between African cotton producers and many big Southern countries, in particular Brazil, show the concern to create a South South solidarity, a community of interests in order to have more weight in the WTO, as they have convergent interests in this issue.

As they are conscious of their rights and of the force they are representing, the **network of farmers** organisations and agricultural producers of West Africa (ROPPA) works with farmers organisations in several countries and proposes alliances between NGO's in African and Northern countries

CIDSE and CARITAS INTERNATIONALIS, the international Catholic networks, have decided to analyse necessary strategies to support cotton producers and their communities in Africa while helping them to understand the mechanisms of the cotton market and the relation between their situation and the functioning of the international prices.

c) Food Sovereignty

Cotton is the product, which has given the small producers access to the monetary economy. In the actual context, they are facing a difficult choice: whether to continue to produce cotton, while expecting an economic recovery or to opt for other product to grow. But very often there are no viable alternatives to the cotton production.

The diversification of the agricultural production could be a solution to stop the dependence of the single culture of cotton. Nevertheless, those who have opted to grow cereals, for example, have produce enough for their food, but very often they are facing severe financial crisis as they get ridiculous price from their surplus. The producers are thus the victims of the buyers who are taking advantage of the situation, especially during the period between two crops.

THE AGRICULTURAL PRODUCTS IN THE INTERNATIONAL TRADE

RICE

1. Comprehension of the situations

a) The Production

Main culture in Asia	91 % of the world production
Africa	3 % of the world production
America	5 %
Europe and Oceania	1 %.

- Unequal production systems:

	% of the surfaces	% of the world production	Countries & Regions
Irrigated production	55	75	USA, Australia, Europe, Asia
Flooded production	25	17	Poor and Populated regions
Rained production in mountain or plateau	13	4	Madagascar, India, South East Asia
Deep water rice growing	7	4	Bangladesh, South East Asia, West Africa South America
Burned Culture	20 millions of producers		Africa

- Important yield variation:

- Irrigated rice growing: exhaustion of the soils and groundwater; intensive culture, more productive, dependence of the agro-chemicals; 5000 litres of water for 1 Kg of rice if irrigation is not well managed; production multiplied by 3 since 1960; 2 or 3 crops per year.
- Flooded rice growing: culture by rain water or dams
- Fluvial rice growing of mountain or plateau: very low production
- Rice growing in deep water: very low yield

World's average yield: 3,9 tonnes per hectare;

Variations: in between 9,5 tonnes/ha in intensive irrigated system (Australia) and 0,75 tonne/ha in traditional rainy system (Congo);

World production has tripled, from 200 millions of tonnes in 1961 to 600 millions in 2000.

Since 1990 the production is stagnant or even in regression:

- Limits of the green revolution;
- Vanishing of cultivated soils (due to urbanisation);
- Debt trap of small producers;
- Bankrupt: fall down of the world prices.

b) The Consumption

Rice is the main produced cereal in the world and is the basic food of 50% of the world population; it provides, as an average, 20% of food energy of the world needs.

Rice mainly feeds Southern populations. It is the basic food in 17 Asian and Pacific countries, 9 South and North American countries, 8 African countries. Rice is the main source of income, for the local markets and self –consumption.

World consumption with a strong progression: + 40% in 30 years, from an average of 42 kg per head to 60 kg.

Three types of consumption:

- I Asian model: average of more than 80 kg per head, per year; in China 90 kg, Indonesia 150 kg, Myanmar: 200 kg;
- II Subtropical developing countries: average in between 30 and 60 kg per head and per year; Colombia 40kg, Brazil: 45 kg, Ivory Coast: 60 kg;
- III Occidental model: average less than 10 kg per head and per year; France 4 kg, USA 9 kg

The world consumption continues to grow: it is estimated today to 412 millions tonnes and is more than the volume of production.

Scarcity: the reserves today are lower than 20% of the global consumption. This is a major risk for the world food security, especially now, since the world trade is intensifying. It was in 2004, 26,2 millions of tonnes, it means 1,2 million tonnes more than in 2003.

c) The World trade

The majority of rice production is consummated on the spot.

- Superior quality rice market- less than 10% of fragments- is dominated by the exporting countries: Thailand, USA, Vietnam, and satisfies only the demand of the industrialised countries.
- Less quality rice market: is dominated by the Asian exporting countries: Thailand, Vietnam, India and satisfies the demand of the developing countries (South America, Asia, Africa)

The world exchanges have developed with an annual rhythm of 7% during the 90`s to reach 25 millions of tonnes (5 to 7 % of the world production)

- Developing countries: provide 83% of exportations and receive 85% of total importation
- European Union: 17th rank of the producers (0,5% of the world production with 1,8 million of tonnes) and 10th rank of exporters (1,4 % of the exportations)
- USA: 4th exporter, 11,3% of rice sold in the world even if its production is 1,5% of the world production

Main exporting countries and market parts (1998 – 2000)

Thailand	27 %
Vietnam	27 %
China	14 %
USA	12 %
India	12 %
Pakistan	8 %

Asian exports concurrence with the African local production. 20 millions of producers grow rice mainly on “burned” places. Importations from ACP countries (Africa, Caribbean, Pacific except South Africa) are estimated to 3,6 millions of tonnes, from which 88% in Africa. Plans to restart rice growing in Africa could be disturbed by the availability of European rice with very low price (reform of rice sector in the EU).

Common rices represent 80 % of the world market, other rices: 20%

World prices have registered a strong fall down since 1980`s and much more in 1997/ 1998.

EU imports 2,9% of its consumption and is the 6th world importer in volume (718.000 tonnes). EU is also the 4th importer in value and exports 50.000 to 130.000 tonnes per year for food help.

d) Types of agriculture

- Irrigated rice growing
 - Industrialised, intensive, mechanised: USA, Australia, Europe
 - Family agriculture, controlled by land owners with very cheap labour in big rice fields; monoculture instead of biodiversity, very strong dependence to the agro-chemicals: Asia
- Other technologies (flooded, rainy, deep water): familial farms, low income, dam: South East of Asia, Africa and South America
- Burned culture: traditional agriculture, half nomadism following the burned lands: tropical region of Africa.

2. Analysis of the mechanisms

a) Local Market

Agricultural co-operatives: for example, in Laos (12) who ensures its food security up to 80% with setting up of micro-credit.

Traditionally: rice trade was realised by State organisms, through some exporting families

The measures regarding the price policy aims to ensure minimum prices for production, through official buying and guaranteed prices and control on the exportations by semi-public services. These control organisms have disappeared with the liberalisation of the market.

USA, Japan and European Union were adopted specific policies to support production while trying to respect WTO rules (diminution of the support, entry taxes and support to exportation). Policies of other countries, usually big producers lay on the following principles: export taxes in case of deficit on the internal market, support to exportation in case of surplus.

Between the developing countries, during those late years, Thailand did not provide direct support for exportation; just it provided cheap credit facilities for the packaging of rice. In 1997, India has set-up a fund for the promotion of Basmati rice exportation, while deducting 20 rupees per tonne on exportation, deduction doubled since 1999. Exportations in Vietnam were regulated by the government through export quotas, to authorised traders and by the establishment of minimum prices to exportation. Myanmar has given permission to some private societies to start exportation activities but only to sell rice bought to the State.

b) STN, Trans-national companies

Since 1990, 40% of the world trade between 3 continents (white triangle: Asia, Africa, USA) are concentrated in the hands of 4 trans-national companies: the American Continental, Glencore and Cargill and the French one Rice and commodities.

Nowadays, the STN, especially Monsanto, continue to re-enforce their position on the market while operating as supplier of seeds, pesticides and fertilizer. Facing the world price fall of rice since 1997/1998, these traders purchase rice from the farmers with smaller and smaller prices on the domestic market.

c) International Agriculture Policies

Agricultural policies regarding rice are now unified at the international level: we can find 3 models in the frame of the AoA (Agreement on Agriculture) of the WTO:

- EU: even if rice exchanges coming from the EU, represent only 0,4% of world exchanges, a common market organization exists to maintain rice production for the internal market and exportation. The AoA plans to pay rice 150 € per tonne instead of 300, the lack of income being compensated for the producers by more important direct aids. There are also supports for exportation more or less of 200 € per tonne. Europe also exports rice for food help: from 50.000 to 130.000 tonnes per year.

In the frame of the WTO, EU has limited its rice surface to 433.000 ha from which 75% are in Italy and Spain. Nevertheless EU imports quite a huge amounts of rice in preferential conditions, especially in the frame of ACP Agreements and “everything but arms”, 2,9% of its consumption being ensured by rice bought from foreign countries. EU is the 6th world exporter in value (718.000 Tonnes) and the 4th importer in volume.

- Japan: leads a policy of food sovereignty. The price and setting up of the market are submitted to State intervention. In 2000 the selling price on the internal market was more or less 4 times the price of California (USA). Government agencies realize the selling in conformity with WTO rules. Japan has to import 8% of its annual consumption. The imported rice is usually utilised for food support by processing industry. This contributes to maintain a higher price than the world price. The high prices stimulate the production and allow Japan to produce more than its needs. The State recommends the producers to reduce the surfaces of rice (fall of 35% since 1975).
- USA: the policy is also based on support to the farmers whether through price support or through production contracts between the producer and the government: loan for the campaign is available when world price is less than a reference price established for a defined quantity.

d) FAO, United Nation Organisation for Food and Agriculture

An international Rice Commission (CIR) exists since 1949. Its objective is to promote national or international actions regarding production, conservation, distribution and consumption of rice. It deals with scientific, technical and economical problems linked to rice.

e) UNO, United Nation Organization

Following UNO projections, we should count 8 milliards of inhabitants on earth by 2020 from which 5 milliards should be rice consumers. The world crop which is nowadays of 560 millions of tonnes should reach 840 millions of tonnes.

3. Perspectives for the future

a) Human rights

Campaign of rice producers in the UEMOA (West Africa): to establish rules for rice export, to fix standard of production for the quality of rice; to stock local rice for bringing security, to establish a real agriculture policy inside the UEMOA.

b) Towards solidarity economy

Agricultural and trade policies in favour of the local producers and to support family agriculture.

c) Food sovereignty

Organic rice: product of high standard with a good added value that would re-enforce the position of the farmers in front of the STN more and more powerful. Even if they are very few but have the monopoly of the offer on the market.

A GRID ON OTHER PRODUCTS

1. Comprehension of the situations

- a) The production
- b) The consumption
- c) The international trade

2. Analysis of the mechanisms

- a) The trade rules
- b) The political and economical actors
- c) The evolution of the commercial agreements

3. Perspectives for the future

In our FIMARC Working Group for Human Rights, we can testify actions and perspectives for the future. We are providing you some examples, as a contestation to the situations described in the different files. Now it's up to each movement or group to find out locally, its own perspectives for the future.

Those perspectives for the future should always concern 3 main aspects :

a) Human rights

What is the place of human rights, especially to economic, social and cultural rights ?

b) Towards solidarity economy

What kind of solidarity is existing or to be created in between southern and northern producers?
How can it be implemented?

c) Food sovereignty

What are the concrete means to give life and reality to food sovereignty?